DOCUMENT RESUME

ED 238 343 HE 016 871

TITLE	An Investigation of the Feasibility of Awarding a Single Appropriation for the Operating Budget of the University of Alaska.
INSTITUTION	Alaska State Commission on Postsecondary Education, Juneau.
PUB DATE	28 Sep 82
NOTE	29p.
AVAILABLE FROM	Alaska Commission on Postsecondary Education, Pouch FP, Juneau, AK 99811 (single copies free).
PUB TYPE	Reports - Evaluative/Feasibility (142)
EDRS PRICE	MF01/PC02 Plus Postage.
DESCRIPTORS	Administrative Principles; Budgeting; Educational Finance; *Financial Policy; *Government School Relationship; Higher Education; *Operating Expenses; *Resource Allocation; *State Aid; State Legislation; State Officials; *State Universities
IDENTIFIERS	*University of Alaska

ABSTRACT

The feasibility of awarding a single annual appropriation for the operating budget to the University of Alaska was investigated in 1982. Study methods included a literature review and a survey of practitioners concerning the advantages and disadvantages of a single appropriation versus several appropriations. In addition to surveying directors of the fiscal services divisions of 49 state legislatures, a telephone survey was conducted with other public multicampus institutions whose organizational structure was similar to the University of Alaska. Of the 25 systems surveyed, including Alaska, nine received funds for their operating budget through a single appropriation. The only variables that were identified relating to whether or not an institution received a single appropriation were the land-grant status of the institution and the unique political and socioeconomic circumstances of the state. The literature review and suggestions from the fiscal analysts of the states provided several viewpoints that relate to six basic issues: organizational flexibility, depoliticizing of the funding process, accountability, efficiency, legislative oversight and understanding, and increased funding. Three recommendations are offered including that the university should continue to improve its management procedures and then be awarded a single appropriation. (Author/SW)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED238343

AN INVESTIGATION OF THE FEASIBILITY OF AWARDING A SINGLE APPROPRIATION FOR THE OPERATING BUDGET OF THE UNIVERSITY OF ALASKA

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY

Alaska Com on PSE

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

U.S. DEPARTMENT OF EDUCATION
NATIONAL INSTITUTE OF EDUCATION
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

This document has been reproduced as received from the person or organization originating it.

Minor changes have been made to improve reproduction quality.

Points of view or opinions stated in this document do not necessarily represent official NIE position or policy.

LE 016 P71

Alaska Commission on Postsecondary Education

AN INVESTIGATION OF THE FEASIBILITY OF AWARDING A SINGLE APPROPRIATION FOR THE OPERATING BUDGET OF THE UNIVERSITY OF ALASKA

PREPARED BY:

THE ALASKA COMMISSION ON
POSTSECONDARY EDUCATION

SEPTEMBER 28, 1982

DRAFT COPY
NOT FOR
GENERAL DISTRIBUTION

TABLE OF CONTENTS

	Page
Executive Summary	1
Introduction	4
Methodology	6
Results and Analysis	7
Summary and Discussion	15
Recommendations	20
References	23

EXECUTIVE SUMMARY

At the April 2, 1982 meeting of the Commission on Postsecondary Education, staff were requested to investigate the feasibility of awarding a single annual appropriation for the operating budget to the University of Alaska. There has been a substantial decrease in the number of appropriations to the University in recent years. The University received 68 appropriations for its operating budget in FY 1978 and by FY 1983, the number of appropriations had been reduced to five.

Presently there are two methods for transferring funds among appropriations. The University can request the Governor and the Legislature to shift monies from one appropriation to another. Also, some appropriations are awarded showing a clear intent for distributing monies to various other appropriations.

The purposes of this inquiry are 1) to examine the appropriation processes of other similar institutions in the country; 2) to survey the literature and opinions of practitioners concerning the advantages and disadvantages of a single appropriation versus several appropriations; and 3) to explore and present the major points of view that revolve around this issue.

The methodology for this investigation included a literature search and a survey of the directors of the fiscal services divisions of each of the 49 state legislatures. Also, a telephone survey was conducted to other public multicampus institutions whose organizational structure was similar to the University of Alaska. Twenty-four peer institutions were identified and included in this study. Of the 25 systems surveyed, including Alaska, nine receive funds for their operating budget through a

single appropriation. The only variables that were identified relating to whether or not an institution received a single appropriation were the land grant status of the institution and the unique political and socioeconomic circumstances of the state in which it resided.

The literature review and suggestions from the fiscal analysts of the various states provided several viewpoints which related to six basic issues: organizational flexibility, depoliticizing of the funding process, accountability, efficiency, legislative oversight and understanding, and increased funding.

Although this report focuses upon the appropriation process, the fundamental issue is that the University is charged with providing high quality education and maintaining good stewardship of its fiscal resources. The legislative body, which represents the will of the people, has the responsibility to see that public funds are expended consistent with public policy. Thus, the awarding of a single appropriation to the University requires at least five conditions to exist; 1) a clear mission and goals statement for each campus; 2) widely accepted principles and procedures for budgetary decisions that are relatively routine and essential to the ongoing enterprise (these include allocation of staff, the addition and deletion of new programs, etc.); 3) an accurate and comprehensive data base which provides the essential information for informed decisionmaking; 4) a rigorous performance audit mechanism; and 5) an annual financial post audit.

The Commission therefore recommends the following:

RECOMMENDATION 1. THE UNIVERSITY SHOULD CONTINUE TO IMPROVE ITS MANAGEMENT PROCEDURES CONSISTENT WITH THE FIVE CRITERIA SET FORTH IN THIS DOCUMENT.

RECOMMENDATION 2. AT SUCH TIME AS THE UNIVERSITY SATISFIES THE MANAGEMENT CRITERIA, THE LEGISLATURE SHOULD TAKE APPROPRIATE ACTION FOR AWARDING THE UNIVERSITY A SINGLE APPROPRIATION. THE DETERMINATION THAT THE UNIVERSITY HAS SATISFACTORILY MET THE CRITERIA SHOULD BE JOINTLY MADE BY A COMMITTEE MADE UP OF MEMBERS OF THE BOARD OF REGENTS, THE LEGISLATIVE BUDGET AND AUDIT COMMITTEE, AND THE COMMISSION ON POSTSECONDARY EDUCATION.

RECOMMENDATION 3. BEGINNING FY 1984, THE LEGISLATURE SHOULD MAKE PROVISION FOR THE UNIVERSITY TO TRANSFER UP TO FIVE PERCENT OF ANY GIVEN APPROPRIATION WITHOUT PRIOR APPROVAL BY THE GOVERNOR AND THE LEGISLATIVE BUDGET AND AUDIT COMMITTEE. THIS WOULD REQUIRE EITHER NEW LEGISLATION OR AMENDING AS 37.07.080 (e).

INTRODUCTION

At the April 2, 1982 meeting of the Commission on Postsecondary Education, staff were requested to investigate the feasibility, advantages and disadvantages of awarding a single annual appropriation for the operating budget to the University of Alaska. For FY 1983, the University received five appropriations: Statewide Administration, the Fairbanks campus, the Anchorage campus, the Juneau campus, and the Division of Community Colleges, Rural Education and Extension. According to AS 37.07.080 (e), the University is prohibited from transferring the appropriated funds among the separate campuses, thereby restraining organizational flexibility to some degree.

There has been a substantial decrease in the number of appropriations to the University in recent years. For instance, for FY 1978 the University received 68 appropriations for its operating budget. That number was reduced to 24 appropriations for FY 1981 and was further reduced to 14 for FY 1982. Moreover, the Governor has supported a single appropriation for the University in recent years.

There are essentially two methods for transferring funds among appropriations. First, the University can request the Governor and the Legislature to shift monies from one appropriation to another. Secondly, some appropriations are awarded showing a clear intent for distributing monies to various other appropriations. A common example of this would be salary increase monies.

There is another method whereby monies shift from one appropriation to another. Under the Reimbursable Services Agreement Contract, one campus can pay for goods or services rendered from another campus. Technically, however, this is not considered a transfer of funds.

The major thrusts of this investigation are 1) to examine the appropriation processes of other similar institutions in the country; 2) to survey the literature and opinions of practitioners concerning the advantages and disadvantages of a single appropriation versus several appropriations; and 3) to explore and present the major points of view that revolve around this issue.

METHODOLOGY

Complementing a literature search by staff, a letter was sent to the directors of the fiscal services divisions of each of the 49 state legislatures. The directors were asked to share information they might have on the subject of single appropriations and to suggest any research that might be of value. Also, a telephone survey was conducted of other public "multicampus institutions" whose organizational structures are similar to that of the University of Alaska. Twenty-four peer institutions were identified in the Educational Directory, Colleges and Universities, 1980-81, published by the National Center of Education Statisics.

A multicampus institution is defined in the Directory as "an organization bearing resemblance to an institutional system, but unequivocally designated as a single institution with either of two organizational structures: 1) an institution having two or more campuses responsible to a central administration (which central administration may or may not be located on one of the administratively equal campuses) or 2) an institution having a main campus with one or more branch campuses attached to it." In every case, the chief executive officer of the system and the individual chief executive officers of the campuses have the title of president and/or chancellor.

The definition of a multicampus system does not contain the necessary precision to withstand disagreement among informed people concerning which institutions should be included in the universe. The reader should, therefore, consider the institutions in this study to be highly representative of multicampus institutions, but not an exhaustive list.

RESULTS AND ANALYSIS

At the outset it is important to define what is meant by a single lump sum appropriation to a governing board by paraphrasing a statement from the Oklahoma Constitution: the appropriations made by the legislature for all institutions shall be made in consolidated form without reference to any particular institution, and the Board of Regents shall allocate to each institution according to its needs and functions.

Table 1 illustrates 1) which multicampus systems of higher education receive a single appropriation or more than one appropriation, 2) if their budget request is based upon an enrollment-driven formula, 3) their Fall 1980 FTE enrollment, and 4) if at least one campus of the University has been designated as land grant. Of the 25 systems surveyed, including Alaska, nine receive funds for their operating budget through a single appropriation.

A point of clarification is in order here. The focus of this study is the determination of organizational flexibility as it relates to the ability of the university to transfer funds among campuses. Of the nine institutions which are identified as receiving a single appropriation, some may have minimal restrictions and yet enjoy the effect of one appropriation. For instance, the governing board of the University of Maryland receives several appropriations yet has the authority to make transfers of any amount and request approval afterward. Since, traditionally, the approval process has been nothing more than a rubber stamp, the University of Maryland is included in the group receiving a single appropriation.

TABLE 1
SELECTED CHARACTERISTICS OF 25 MULTICAMPUS UNIVERSITIES

INSTITUTION	FALL 1980[1] FTE ENROLL.	LAND GRANT?	SINGLE APPRO.?	FORMULA?[2]	COMMENTS
U of Alabama	16,159	No	No	Yes	
U of Alaska	9,629	Yes	No	No	
U of Arkansas	27,239	Yes	No	Yes	
U of California	136,432	Yes	Yes	Yes	
U of Colorado	30,778	No	Yes	Yes	Single approp. initiated 1980 and only includes state funds.
U of Hawaii	33,208	Yes	No	No	Single appropriation was used until 1971.
U of Illinois	54,569	Yes	Yes	No	
Indiana U	38,174	No	No	No	
Louisiana State U	31,430	Yes	No	Yes	
U of Maine	15,311	Yes	Yes	No	
U of Maryland	44,860	Yes	Yes	No	
U of Massachusetts	30,209	Yes	No	No	
U of Michigan	40,365	No	No	No	Single appropriation was used until 1971.
U of Minnesota	60,411	Yes	Yes	No	
U of Missouri	44,889	Yes	Yes	No	
U of Nebraska	32,937	Yes	No	No	
U of Nevada	13,713	Yes	No	Yes	
U of New Hampshire	16,906	Yes	No	No	Salary increase funds can be distributed among campuses.
Rutgers U (New Jersey)	37,503	Yes	Yes	Yes	
State U of New York	154,496	No	No	Yes	
U of North Carolina	42,648	No	No	No	
U of South Carolina	28,254	No	No	Yes	
U of Tennessee	37,934	Yes	No	Yes	
U of Texas	90,405	No	No	Yes	Trend is toward greater detail in approp. process.
U of Wisconsin	129,863	Yes	Yes	Yes	

1 National Center for Educational Statistics Data.
2 Paulette Wille, compiler, "A Survey of Selected Budget Procedures at Postsecondary Education Institutions Across the United States" (Fairbanks: University of Alaska, Office of the Associate Vice President for Finance), 1982.

Figure 1, on the following page, shows the geographic location of the institutions surveyed. Of those universities that receive a single appropriation, three are on the east coast, four in the midwest, and two are located in the west. Those institutions that have received several appropriations are scattered throughout the United States. There seems to be no relationship between geography and whether a university receives one or several appropriations. There is, however, some relationship between institutions receiving a single appropriation and land grant status. As illustrated in Table 2, eight of the nine single appropriation institutions have been designated as land grant, and almost half of the land grant institutions receive one appropriation.

Relationships between the appropriation process and other variables are not as apparent. The appropriation process is not associated in any consistent pattern with the number of students enrolled, length of time the institution has been in existence, or use of a formula for budgeting.

TABLE 2
Relationship Between the Appropriation Process and Land Grant Status of an Institution

	Land Grant	Not Land Grant	Total
Single Appropriation	8	1	9
Several Appropriations	9	7	16
TOTAL	17	8	25

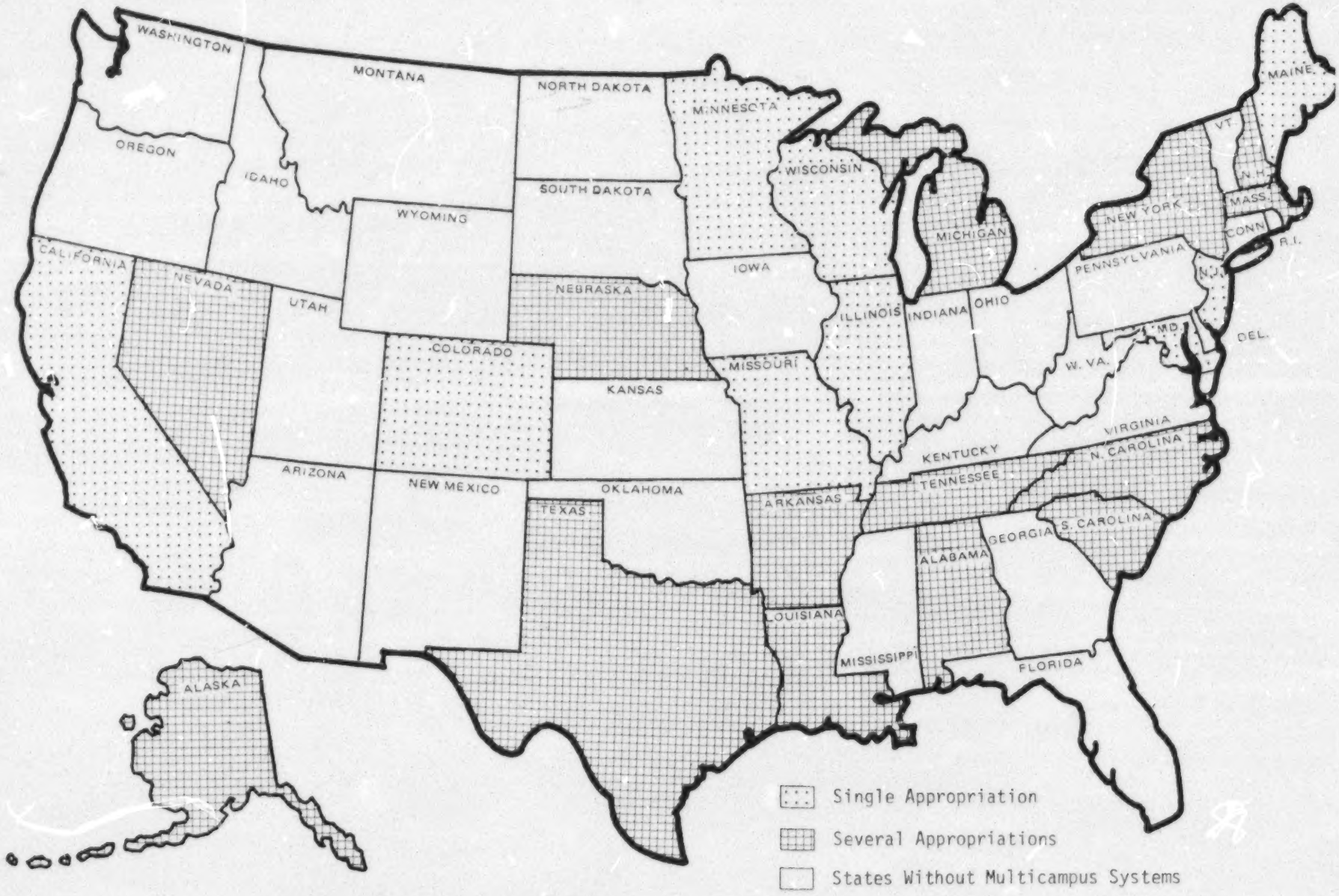

FIGURE 1
APPROPRIATION PROCESSES OF
MULTICAMPUS SYSTEMS

The literature review and suggestions from the fiscal analysts of the various states provided several viewpoints. The following discussion will summarize, without editorial comment, those viewpoints by relating them to six basic issues: organizational flexibility, depoliticizing of the funding process, accountability, efficiency, legislative oversight and understanding, and increased funding. It must be emphasized that no attempt was made to delete or modify a viewpoint just because it seemed inappropriate to the author.

Organizational Flexibility A single appropriation to the University would provide greater flexibility in meeting unanticipated shifts in enrollments and needs than a process that includes several appropriations. Moreover, a single appropriation could help to expedite statewide coordination of academic programs and activities.

Articulate proponents for a single appropriation to a multicampus university are Eugene C. Lee and Frank M. Bowen. In their study concerning multicampus universities, it is emphasized that organizational flexibility is critical. They assert: "The system executive and the governing board can view the system budget as a whole. Although exercised infrequently and with discretion, their power to make adjustments among campuses and programs without approval of Governor or legislative committee is an essential instrument of university governance."[1] During a brief telephone conversation with the author of the report, Frank Bowen emphasized that there should be flexibility between campuses at least at the margins. Even a small percentage would

---

[1] Eugene C. Lee and Frank M. Bowen, The Multicampus University (New York: McGraw Hill Book Company, 1971), p. 254.

suffice. Allowing a margin of, say, 5 percent of a campus appropriation to be transferred would make a big difference in providing management flexibility to the University.

Depoliticizing the Funding Process A centralized decisionmaking process may be the only sure approach to implement policy and depoliticize funding by having the funding control reside within the governing board. The overall educational goals of the state can be addressed and the possibility of budget decisions being based on non-educational issues could be lessened. It was pointed out, however, that it is crucial that the mission of each individual campus be articulated with a high degree of specificity to enhance the understanding of the Governor's office and the legislature. Also, there is an inherent assumption that individual board members will make decisions based upon the educational needs of the entire system, and not upon the needs of the area in which they reside. The validity of this assumption has been questioned.

Accountability Awarding an appropriation to each individual campus, rather than a single appropriation to the university as a whole, provides a structured mechanism for accountability. The legislature and others have the ability to determine how much money each college or university is to receive. Legislators work very diligently to make sure that a campus in their district receives its fair share of available monies and consolidating appropriations would make it more difficult for the legislature and the general public to see where the money has been spent.

It was noted that a single appropriation may not reduce the legislative role significantly, and, in actual practice, the effect may be more apparent than real. Often, legislative expectations concerning the allocations within a single appropriation will strongly determine how the funds are expended by the governing board. Also, the budgetary request process itself can severely limit the ability of the governing board to shift monies among campuses. The budget documents and testimony before various legislative committees serve to elucidate commitments to campuses; not honoring these commitments could result in dire political consequences.

An important factor in transferring flexibility and authority to the governing board would be the use of systemwide parameters in the legislative budget review process or a structured process of performance audits. It was suggested that expenditures, not appropriations, are the primary activity upon which to focus.

Efficiency A single appropriation based upon established guidelines for new positions, etc., may reduce the amount of time spent for committee hearings, committee work sessions and floor debate by the legislature. It is assumed that the governing board would provide the necessary deliberation for an appropriate allocation of resources based upon the educational needs of the state. Again, it was strongly emphasized that the establishment of reasonable goals and objectives for individual institutions as well as a system as a whole was crucial. Unless there is a way to measure the value derived in terms of services and goods produced, it is difficult to budget a reasonable figure for the operations of a system.

Legislative Oversight and Understanding There is a desire on the part of elected officials to have a better understanding of the operations of the university system and its components. Awarding several appropriations to the individual campuses allows the officials to enhance their knowledge of the university's activities. Moreover, it provides a convenient mechanism for legislative oversight because it is relatively easy to determine where monies are being spent.

Increased Funding There are two schools of thought here. One school suggests that the university system would have received more funds had it received a single appropriation. The other school maintains that several appropriations would equal more than a single lump sum. The data available for this report are not sufficient to either prove or disprove either contention.

Before ending this section, it is interesting to note that reference was made more than once that governing boards who enjoy receiving a single appropriation may want to reconsider. During periods of enrollment growth and adequate fiscal support, the allocation of funds among various components of the University presented relatively few problems. However, the economic malaise in which this country now finds itself has severely restricted financial support of many universities and enrollments are leveling off. Dividing up a "much smaller piece of pie and each and every crumb to the hungry family" has become, in many cases, an exceedingly unpleasant task - which some say may be better left to the legislature. This opinion, of course, reflects more upon the courage of those who make decisions than the efficacy of an appropriation process.

SUMMARY AND DISCUSSION

> "'The operating budget,' said one system executive, 'is the single most important educational document in the university.' Here, the academic goals of faculty, administrators, and students confront the societal values of governors, legislators, and taxpayers. In the budgetary process academic governance receives its most severe challenge."[2]

Although this report focuses upon the appropriation process, the above comment expresses succinctly the fundamental issue. The university is charged with providing high quality education and maintaining good stewardship of its fiscal resources. The legislative body, which represents the will of the people, has the responsibility to see that public funds are expended consistent with public policy.

An examination of the experiences of other multicampus universities suggests that whether or not an institution receives a single or several appropriations for its operating budget has little to do with any other variables except the land grant status of the institution along with the unique political and economic history of the state in which it resides. Ascertaining the specific circumstances that affected the institutions in other states is, of course, well beyond the scope of this study. It appears that the appropriation process is peculiar to each university system and, from the information gathered for this report, there are no consistent patterns that can provide a model for the University of Alaska.

The comments from the fiscal officers of the several states and the literature do, however, provide a compendium of opinions and viewpoints that provide a context for discussion.

---

[2] Ibid., p. 247.

At the heart of the matter is the following question: What conditions must exist to allow the University of Alaska to provide education of the highest quality and use its resources in an efficient and effective manner, while at the same time, allowing the representatives of the people of Alaska the opportunity to be cognizant of the budgetary implications and to provide effective oversight? It is to this question that the remainder of this section is addressed.

First, a fundamental requirement for informed management decisions and enlightened oversight is that the mission and goals of each campus as well as the university system should be delineated with some degree of precision. (It is not recommended that the catalog mission statement be used.) The development of meaningful mission and goal statements can serve as an invaluable foundation for campus planning and budgeting activity. A clear understanding of the status of the institution is a prerequisite for planned growth because it serves as a guide for the multitude of choices that must be made to direct the institution into the future.[3]

Second, a well-developed mission and goals statement can provide the framework for guidelines or standards relating to personnel, programs, and equipment which should be established and made known to all parties involved. An example of such guidelines would be an established and documented procedure for the addition and deletion of academic programs.

---

[3] J. Kent Caruthers and Gary B. Lott, Mission Review: Foundation for Strategic Planning (Boulder, Colorado: National Center for Higher Education Management Systems, 1981), p. 12.

Because campus missions may be different, it follows that the criteria for academic programs may be different. Also, the development of criteria for faculty and support staff should reflect the goals of each particular campus. Once this is accomplished, decisions can be based upon judgments consistent with sound management principles and the established educational standards of the institutions.

The point here is that the more decisionmaking can be based upon objective management principles and procedures known to all, the less need for intrusive oversight by external parties. Also, the criteria established for the decisionmaking process help to assure that the allocation of resources is fair and equitable.

Third, informed decisionmaking requires that all participants have as much information that is germane to the issue as possible. Since the Board of Regents, the Legislature, the Governor's Office and the Commission on Postsecondary Education are all party to the budgetary decisionmaking or review process, all must have the same information. A far-from-exhaustive example of such information includes a measurement of educational outcomes for various student groups, student credit hour (SCH) production by discipline and campus, degrees awarded by campus, number of full-time and part-time faculty related to various disciplines, and unit cost measurements at the discipline level. Without such basic information, the university has little basis for discussion and planning purposes.

Fourth, an integral part of any effective management process is a systematic evaluation process. Within this activity, annual performance audits which relate to the objectives provided in the budget submission (which should be similar to the objectives contained in the planning document) should be implemented. The audit should be the result of a cooperative effort between the University, the Legislature, the Governor's Office, and the Commission on Postsecondary Education. Representative of such performance audits could be academic program review, investigation of facilities usage or measurements of student outcomes. This procedure will help to satisfy the desire on the part of elected officials to have a better understanding of the operations of the university system and allow those interested parties to see how their state funds are being utilized.

A final ingredient necessary for the successful implementation of a single appropriation for the operating budget is an annual financial post-audit, the purpose of which is to verify that the expenditure pattern is consistent with the budget submission. Where discrepancies exist due to inevitable changes in circumstances, documentation should be provided. The post-audit may be performed by the Legislative Budget and Audit Committee.

In sum, the awarding of a single appropriation to the university requires at least five conditions to exist: 1) a clear mission and goals statement for each campus; 2) widely accepted principles and procedures for budgetary decisions that are relatively routine and essential to the ongoing enterprise (these include allocation of staff, the addition and deletion of new programs, etc); 3) an accurate and comprehensive data base which provides the essential information for informed decisionmaking; 4) a rigorous performance audit mechanism for the analysis of expenditures; and 5) an annual financial post-audit.

The presence of these conditions is not alien to institutions which receive a single appropriation for their operating budget. The University of Illinois, for instance, has in place a process which addresses all five of the above criteria. The University of Colorado, which just recently changed to a single appropriation, has developed a comprehensive master plan and is in the process of establishing a rigorous review process. Also, Rutgers, the state university of New Jersey, has a well-established budgetary process that fulfills all criteria to a high degree. The point here is that the five conditions presented are altogether appropriate and contribute to the management process at other public institutions.

RECOMMENDATIONS

The arguments contained in the literature and proferred by legislative fiscal officers are persuasive for providing the Board of Regents with as much flexibility as possible to allow for the efficient and effective use of limited resources. On the other hand, as a public institution, it is incumbent upon the University to instill public confidence that management decisions are based upon rational procedures that contribute to quality education and good stewardship. This in no way implies that the University is not now exercising such judgment, but emphasizes the fact that public institutions have an obligation to assure the citizenry that its decisionmaking processes are of the highest order.

The five criteria described in the preceding section not only provide that assurance, but are consistent with sound management principles. In recent years, the University has made substantial progress in the improvement of its management practices. The development of a planning process is well underway; recently the financial accounting system was judged by external auditors to be in conformity with generally accepted accounting principles; an accurate and comprehensive degree inventory has been completed; and efforts are being made to develop more detailed cost data at the University centers. These activities notwithstanding, satisfaction of the criteria as set forth has not yet been achieved. In particular, along with other management information data, additional strategies need to be developed for gathering information concerning student characteristics and student achievement; a systematic procedure for the review of academic programs would contribute significantly to an

understanding of the efforts of each campus; and a more precise articulation of the missions of each unit of the university will help provide direction in the decade ahead.

The Commission, therefore, offers the following recommendations:

RECOMMENDATION 1. THE UNIVERSITY SHOULD CONTINUE TO IMPROVE ITS MANAGEMENT PROCEDURES CONSISTENT WITH THE FIVE CRITERIA SET FORTH IN THIS DOCUMENT.

RECOMMENDATION 2. AT SUCH TIME AS THE UNIVERSITY SATISFIES THE MANAGEMENT CRITERIA, THE LEGISLATURE SHOULD TAKE APPROPRIATE ACTION FOR AWARDING THE UNIVERSITY A SINGLE APPROPRIATION. THE DETERMINATION THAT THE UNIVERSITY HAS SATISFACTORILY MET THE CRITERIA SHOULD BE JOINTLY MADE BY A COMMITTEE MADE UP OF MEMBERS OF THE BOARD OF REGENTS, THE LEGISLATIVE BUDGET AND AUDIT COMMITTEE, AND THE COMMISSION ON POSTSECONDARY EDUCATION.

As stated earlier, allowing the Board of Regents increased flexibility in the management of their fiscal resources in the operating budget provides an incentive for more effective management. Such flexibility can be achieved by allowing a portion of funds to be transferred between campuses/appropriations. This flexibility between campuses "at the margins" should represent a substantial improvement in the ability of the University to repond with dispatch to unanticipated needs and the reallocation of resources. Therefore, the Commission recommends the following:

RECOMMENDATION 3. BEGINNING FY 1984, THE LEGISLATURE SHOULD MAKE PROVISION FOR THE UNIVERSITY TO TRANSFER UP TO FIVE PERCENT OF ANY GIVEN APPROPRIATION WITHOUT PRIOR APPROVAL BY THE GOVERNOR AND THE LEGISLATIVE BUDGET AND AUDIT COMMITTEE. THIS WOULD REQUIRE EITHER NEW LEGISLATION OR AMENDING AS 37.07.080 (e).

REFERENCES

The Carnegie Council on Policy Studies in Higher Education. A Summary of Reports and Recommendations. San Francisco: Jossey-Bass Publishers, 1980.

Caruthers, J. Kent and Lott, Gary B. Mission Review: Foundation for Strategic Planning. Boulder, Colorado: National Center for Higher Education Management Systems, 1981.

Hyde, William D., Jr., ed. Issues in Postsecondary Education Finance. Denver: Education Commission of the States, 1978.

Lee, Eugene C. and Bowen, Frank M. Managing Multicampus Systems. San Francisco: Jossey-Bass Publishers, 1975.

Lee, Eugene C. and Bowen, Frank M. The Multicampus University: A Study of Academic Governance. Commentary by William Friday. New York: McGraw-Hill Book Company, 1971.

Leslie, Larry L. and Otto, Heather L., editors. Financing and Budgeting Postsecondary Education in the 1980's. Tucson: University of Arizona, Center for the Study of Higher Education, 1980.

Schmidtlein, Frank A., and Glenny, Lyman A. State Budgeting for Higher Education: The Political Economy of the Process. Berkeley: University of California, Center for Research and Development in Higher Education, 1977.

Wille, Paulette, compiler. "A Survey of Selected Budget Procedures at Postsecondary Education Institutions Across the United States." Fairbanks: University of Alaska, Office of the Associate Vice President for Finance, 1982.